

FIS Iron Ore Offshore

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Iron Ore July 26 (rolling Front Month Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	100.36	R1	103.79	Stochastic oversold	RSI below 50
S2	99.64	R2	104.70		
S3	98.88	R3	105.93		

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Technical outlook previously: Upside moves considered as countertrend
- The technical outlook was a little misleading last week, as the intraday RSI is divergent, while price is holding above the daily 200-period MA at USD 109.33. In the near-term we were cautious on downside moves; however, a close and hold below 200-period MA would warn we could see further downside continuation. The depth of the pullback indicated that the probability of price trading to a new high had started to decrease, meaning upside moves were considered as countertrend.
- The futures held the 200-period MA at USD 104.54 for another two sessions before breaking to the downside. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 105.93 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Upside moves considered as countertrend.
- The close and hold below the 200-period MA has resulted in price trading to a low of USD 100.85. The RSI is showing negative velocity and positive acceleration, implying we are starting to see buyside support. However, the break to the downside has resulted in bearish momentum confirmation, suggesting upside moves should be considered as countertrend, providing we remain below the USD 105.93 resistance. Above USD 105.93 the probability of the futures trading to a new low will start to decrease.